



**QUARTERLY TECHNICAL PERFORMANCE MONITORING REPORT**  
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**Bolivia Anti-Corruption Program**

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Task Order Number 811

Submitted to:

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## **Task Order No. 811**

### **Bolivia Anti-Corruption Support Program**

Casals and Associates, Inc. (C&A) is pleased to submit this quarterly report for the work carried out during the months of April, May, and June 2005. Program achievements in this second quarter were substantial, given the turmoil affecting all government counterparts, particularly the Presidential Anti-Corruption Delegate (DPA).

The Mesa government fell on June 6, after three weeks of increasing social protest and blockades that paralyzed the country, but Congress did not appoint an interim president until June 9. Despite this, blockades and violent marches did not come to an end until June 14. Uncertainty about the fate of the DPA lasted through June 27, when interim President Eduardo Rodríguez decreed that a new entity, the Delegation for Transparency and Public Integrity, would take the DPA's place. The new Delegate, Javier Díez de Medina, met with program staff during the first half of July to coordinate plans. The current administration will be in power until December 11, 2005, when elections for a new President and Vice-President are to be held.

Despite the overwhelming problems facing the national government, former Presidential Anti-Corruption Delegate Guadalupe Cajías wrote a six-page letter to USAID/Bolivia on May 31, thanking the agency for the important work that the Bolivia Anti-Corruption Support Program is doing, and detailing its many advances and achievements to date. In addition, government counterparts – the National Police, the Attorney General, the Judicial Power, and the District Attorney – have written letters noting the valuable work of the Program.

### **Highlights of the quarter are:**

#### **Sanction of Corruption**

- ✓ Important anti-corruption cases under prosecution
- ✓ Ground-breaking sanction interagency cooperation
- ✓ Intensive training program for task force staff
- ✓ Long-neglected and serious criminal cases brought to resolution
- ✓ Inspector General named for the Public Ministry

#### **Civil Society Involvement**

- ✓ Bolivia's first civil society anti-corruption pilot projects underway
- ✓ Anti-corruption network of civil society organizations initiated
- ✓ Training-of-trainers for anti-corruption civil society training program underway

#### **Government Strengthening**

- ✓ Unique "victimization" study of corruption at all levels of government launched
- ✓ Training program for staff of municipalities in design with USAID/DDPC3
- ✓ Final stage of reporting to the Organization of American States regarding anti-corruption underway
- ✓ Regional anti-corruption offices making strides in following up on citizen complaints of corruption, and in launching independent investigations of corruption in government agencies

## **Delays Due to the Change in Government/Governmental Uncertainty**

The social and government upheaval has affected all program activities with both minor and significant delays. Government offices in La Paz were closed or operating on limited hours, with staff effort clouded by fear of violence and uncertainty about whether government programs and directions would continue, or change dramatically, for almost two weeks. This affected the operation of the anti-corruption task forces as well as Project Against Impunity, whose staff works in the superior courts and the Fiscalía de Distrito de La Paz.

The program experienced significant delays in its work with the DPA, whose fate was unknown for more than three weeks. The Program has been working closely with the DPA since January on the major television/radio campaign to be sponsored by the national government, with the scripts for each of the spots approved only days before the government fell. The DPA exercised power to approve the scripts as well as negotiate contracts with the radio and television stations nation-wide. Work on the campaign was on hold while the fate of the DPA was unknown.

Still unknown as of early July is whether the new anti-corruption entity, the DTIP, will sponsor the mass campaign. As well, it is yet to be determined to what extent the new entity will be involved with the nation-wide civil society training program. The regional DPA offices closed on July 15, with USAID payments to DPA consultants in those offices halted on that date. The Program is now in the process of a “lessons learned” evaluation of the three regional offices supported for the past year.

The Program is in the course of evaluating its Action Plan for the remaining four months, and will submit a new plan and budget to USAID by the end of July. The Program does not anticipate more than minor changes in direction, since most of the projects in conjunction with the DPA are being reprogrammed with other state entities and with civil society organizations.

## **Plan of Action Changes and New Projects**

Because of the likely inability of Congress to consider any non-urgent matters at least before the beginning of the year, the Program eliminated a project that was to lead an effort to put the two new draft anti-corruption laws approved in January by the former national government on the Congressional agenda. As well, the DPA determined that it would not go forward with this project, which was designed to implement the Inter-American Convention on Corruption this year, and to put the project’s objective to involve civil society and coordinate national government anti-corruption efforts on hold while it focused on assuring its continued funding by a consortium of Dutch, Danish, and Swedish aid agencies.

The new projects in the first quarter – cooperation with both USAID/DDPC3 to bring anti-corruption training to government at the municipal level, and with USAID/AAA to build a civil society anti-corruption network and survey the “victimization” of citizens throughout the nation by government corruption at all levels, are well underway. At the request of USAID in June, the Program added a new project to design, with the National College of Attorneys, a comprehensive ethics code and a new regulatory system to register and discipline attorneys nation-wide.

## **Program Extension**

With nearly constant uncertainty in government during the quarter, changes in the DPA plan and priorities, and new projects, the Program will ask for an extension of three months, until February 5, to complete its Action Plan. Since the government counterparts for the Program are national, and the national government is now a transitional government unable to make long-term plans, it is vital to extend program operations in order to assure Program completion.

## **Component I: Sanction of Corruption**

*Anti-Corruption Task Forces.* The major accomplishments of the quarter include:

- ✓ Initiating prosecution of two major corruption cases, one in Cochabamba and one in La Paz, involving millions of dollars. We expect accusations in both these cases by November; this is much faster than cases in Bolivia normally reach the accusation stage.
- ✓ Coordinating the work of the task forces with the donor coalition supporting the sanction of corruption in Bolivia: the Plan Integral Anticorrupción (PIA). The PIA will begin to disburse funds, under current projections at the end of May or by July or August, to three national government agencies charged with sanction of corruption: the Public Ministry, the Financial Investigation Unit of the Bank Superintendence, and the Comptroller General. The donor coalition is now discussing whether to include the DPA in its distribution fund, since its role remains unclear. The PIA will operate primarily to replicate the USAID task force model in jurisdictions throughout the country.
- ✓ Concluding the third and final intensive week of training for the task force teams in May, with separate tracks for auditors and financial investigators, and police and prosecutors. The integrated teams have both the on-line, telephone, and in-person support of national and international criminal law experts on specific cases.
- ✓ Evaluating the task force structure and results in June, and designing a strategy for continuing and expanding high-quality prosecution of corruption in the months and years to come.
- ✓ *Draft Anti-Corruption Laws and Judicial Discipline Regulation.* The two draft laws developed by the Program with both the Vice-Ministry of Justice and the DPA – the conflict of interest law and the packet of changes and reforms in the criminal code – were approved by the national government for presentation to Congress in January. However, due to the inability of Congress this year to focus on all but the most urgent matters regarding the natural gas reserves and the democratic structure of the country, the Program cannot move forward with its planned project to lobby Congress to put the laws on its agenda. These important laws, part of Bolivia's requirements under the Inter-American Convention Against Corruption, must wait until next year.

Due to internal conflicts between the Supreme Court and the National Judicial Council, the project to reform the judicial discipline rules was eliminated from the Program. The two judicial powers must work together on the reform, but have not been able to do so.

*Inspector General and Ethics Codes/Curriculum.* The country's first Inspector General for the Public Ministry was named in April, charged with investigating and denouncing corruption with the Attorney General's Office, which is widely perceived as one of the most corrupt government agencies in the country, along with the Police and the Judicial Power. The Program led the effort to name an Inspector, at the request of the Attorney General, conducting a nation-wide search for candidates, and presenting a list of three highly qualified candidates to the Public Ministry.

The Program's development of ethics curriculums for the National Police, Public Ministry, and the Judicial Power continues. The training materials are based on the ethics codes developed in conjunction with the rank-and-file as well as supervisors, managers, and directors of the three entities by the Program in March. The training programs will be presented in the coming quarter.

*Project Against Impunity.* All but two of fourteen attorneys are hired and working in both the Superior Courts and the District Attorney Offices in La Paz and Cochabamba, and in the Supreme Court in Sucre to process and present for judicial resolution the hundreds of serious criminal cases remaining under the old criminal procedure code. This project is assuring that these cases, many of them egregious corruption crimes, will not be dismissed for want of prosecution, as they would have been this year under rules barring continued prosecution for cases under the old code.

## **Component II: Civil Society Involvement**

*Small Grant Fund Pilot Projects/National Civil Society Network.* Six non-profit organizations throughout the country began the nation's first anti-corruption projects involving civil society in this quarter, with intensive assistance from the Program to design work plans, to provide technical assistance, and monitor progress, including assistance in financial reporting. This group of six also forms the basis for the Program's first-year civil society strategy: a network to sponsor and deliver anti-corruption training to other civil society organizations and popular base groups, and sponsor the national "victimization" corruption survey and national TV/radio campaign.

All three of these network efforts initiated with the Program's support of USAID/AAA's coalition-building workshop in May for the six NGOs, which brought the six together to learn about the experiences of anti-corruption civil society networks in Paraguay, Peru, and El Salvador, and focus on the elements necessary to building an effective civil society involvement in anti-corruption.

*Mass Media Campaign/Anti-Corruption Training Program.* The campaign is in production now, based on scripts approved after months of work with the DPA. If the DPA does not sponsor the spots, our civil society network will do so. We hope to air the spots by August. The training program, specifically training-of-trainers, debuted in May with the staff of the regional anti-corruption offices, approximately 30 people, to excellent reviews. The Facilitator's Guide for the training program is now being revised based on input from the trainer and the participants, and will be ready for another training-of-trainers, this time of our civil society network, in July and again in August. The training program consists of four distinct modules of materials and additional readings; the DPA has requested 1000 copies to be printed in July for its use and for other government and civil society organizations.

*Training of Municipal Government Staff.* In cooperation with USAID/DDPC3, the municipal government improvement program, the Program began work this quarter on another version of the anti-corruption training program aimed specifically at municipal government staff, and including transparency themes for government as well as how to involve civil society in government monitoring. The new training modules will be completed in the coming quarter and the first training-of-trainers offered in August. DDPC3 will continue to use the modules in municipal training sessions for the coming years of its program.

## **Component III: Strengthening Government Anti-Corruption Programs**

*Regional Anti-Corruption Offices.* One of the most successful projects of this component is the establishment of regional offices of the DPA, which have defied a lack of strong national leadership and direction to develop local programming and focus in Potosi especially, with promising directions as well as in Santa Cruz and Tarija. The three regional offices supported by the Program are charged with receiving and processing citizen and government employee complaints of public corruption, coordinating and encouraging departmental and municipal government to develop and implement anti-corruption plans, and training civil society in anti-corruption programs and techniques.

Each of the offices has developed its own local character and connections with government and civil society. Although it is still uncertain whether the regional offices will remain and/or change direction, in

any case the Program will evaluate the offices in the coming quarter, and make recommendations for future decentralization of the government fight against corruption.

*Organization of American States Reporting.* The Program began work on its third and final report required of Bolivia by the OAS: an evaluation of the anti-corruption work of the Canadian government, using documents sent by Canada to Bolivia. The Program will finish the report in July, and use the results to help inform the future activities of the Bolivian government in anti-corruption, using successful methods demonstrated in Canada.

*Implementation of the Convention.* The DPA decided in late February that it did not have the time to begin the project designed with the Program to coordinate other government entities in the fight against corruption or to organize civil society to monitor government compliance with Convention. In addition, the DPA declined to allow the Program to proceed with its civil society network of NGOs to launch the civil society monitoring project. However, the design of the project was finished in January, and is ready for implementation in the coming year, or even later this year, with NGO sponsorship, depending on the new direction of the DPA.

*Training DPA Staff in Anti-Corruption.* The DPA requested in February that the Program dedicate \$25,000 more to the fund for training DPA staff, increasing the fund to a total of \$40,000 over the two-year life of the Program. Now that the DPA may be changing direction, the funds may be dedicated in a different way. That decision will be made by mid-July.

### **Program Directions for Next Quarter**

- ✓ Bring important cases to the accusation stage of procedure in the task forces
- ✓ Resolve criminal cases with judicial sentences in Project Against Impunity
- ✓ Present ethics training for staff in the National Police, Judicial Power, and Public Ministry
- ✓ Develop ethics code and registration and discipline structure for the National College of Attorneys
- ✓ Ensure that the Plan Integral Anticorrupción is successfully supporting more anti-corruption task forces
- ✓ Launch mass media campaign, with either government or civil society
- ✓ Train trainers for anti-corruption for municipal government staff
- ✓ Train civil society trainers in anti-corruption material
- ✓ Ensure success of the civil society anti-corruption pilot projects and help the AAA project develop “lessons learned” from these pilot experiences
- ✓ Coordinate with AAA on the national anti-corruption study
- ✓ Develop a strong anti-corruption network of civil society organizations
- ✓ Present “lessons learned” from the regional anti-corruption offices
- ✓ Present international conference on sanction of corruption
- ✓ Present third and final report to OAS on Canada’s anti-corruption efforts, and apply the Canadian experience to the design of Bolivia’s coming anti-corruption strategy

### **Conclusion**

Despite turmoil throughout the country at the level of national and departmental government, and the resulting and continuing uncertainty about the direction of government anti-corruption efforts, the Program has concrete and important results. It will complete its Action Plan and build the foundation for future successful anti-corruption efforts at the government and civil society level.